



**News Flash** – A new publication titled “Caregiving Education” (September 2010) is now available in downloadable format from the Medicare Learning Network® at [http://www.cms.gov/MLNProducts/downloads/MLN\\_CaregivingEducation.pdf](http://www.cms.gov/MLNProducts/downloads/MLN_CaregivingEducation.pdf) on the CMS website. Medicare will pay for certain types of caregiver education when it is provided as part of a patient's medically-necessary face-to-face visit. This publication provides information on how to bill for Caregiver Education under Medicare Parts A and B.

MLN Matters® Number: MM7050 **Revised**

Related Change Request (CR) #: 7050

Related CR Release Date: December 21, 2010

Effective Date: January 1, 2011

Related CR Transmittal #: R826OTN

Implementation Date: January 3, 2011

## Multiple Procedure Payment Reduction (MPPR) for Selected Therapy Services

**Note:** This article was revised on December 22, 2010, to reflect changes made to CR 7050 on December 21, 2010. The CR 7050 was revised based on policy changes required by the Physician Payment and Therapy Relief Act of 2010, which changed the multiple payment procedure reduction for therapy services in the office setting or a non-institutional setting to 20 percent, instead of 25 percent. The CR release date, transmittal number, and Web address for accessing CR 7050 were also revised. All other information remains the same.

### Provider Types Affected

Physicians, non-physician practitioners, and providers submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs) for therapy services provided to Medicare beneficiaries that are paid under the Medicare Physician Fee Schedule (MPFS).

### Provider Action Needed

This article is based on Change Request (CR) 7050, which announces that Medicare is applying a new Multiple Procedure Payment Reduction (MPPR) to the Practice Expense (PE) component of payment of select therapy services paid under the MPFS. Make sure your billing staff is aware of these payment reductions.

#### Disclaimer

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## Background

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Section 3134 of The Affordable Care Act added section 1848(c)(2)(K) of The Social Security Act, which specifies that the Secretary of Health and Human Services shall identify potentially misvalued codes by examining multiple codes that are frequently billed in conjunction with furnishing a single service. As a step in implementing this provision, Medicare is applying a new MPPR to the PE component of payment of select therapy services paid under the MPFS. The reduction will be similar to that currently applied to multiple surgical procedures and to diagnostic imaging procedures. This policy is discussed in the CY 2011 MPFS final rule.

Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. The Centers for Medicare & Medicaid Services (CMS) is applying a MPPR to the practice expense payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures. Full payment is made for the unit or procedure with the highest PE payment. For subsequent units and procedures, furnished to the same patient on the same day, full payment is made for work and malpractice and 80 percent payment for the PE for services furnished in office settings and other non-institutional settings and at 75 percent payment for the PE services furnished in institutional settings.

For therapy services furnished by a group practice or "incident to" a physician's service, the MPPR applies to all services furnished to a patient on the same day, regardless of whether the services are provided in one therapy discipline or multiple disciplines; for example, physical therapy, occupational therapy, or speech-language pathology.

The reduction applies to the HCPCS codes contained on the list of "always therapy" services that are paid under the MPFS, regardless of the type of provider or supplier that furnishes the services (e.g. hospitals, Home Health Agencies (HHAs), and Comprehensive Outpatient Rehabilitation Facilities (CORFs), etc.). The MPPR applies to the codes on the list of procedures included with CR7050 as Attachment 1. CR7050 is available at <http://www.cms.gov/Transmittals/downloads/R826OTN.pdf> on the CMS website. Note that these services are paid with a non-facility PE. The current and proposed payments are summarized below in the following example based on the 75 percent reduction for institutional settings:

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	Procedure 1 Unit 1	Procedure 1 Unit 2	Procedure 2	Current Total Payment	Proposed Total Payment	Proposed Payment Calculation
Work	\$7.00	\$7.00	\$11.00	\$25.00	\$25.00	no reduction
PE	\$10.00	\$10.00	\$8.00	\$28.00	\$23.50	$\$10 + (.75 \times \$10) + (.75 \times \$8)$
Malpractice	\$1.00	\$1.00	\$1.00	\$3.00	\$3.00	no reduction
Total	\$18.00	\$18.00	\$20.00	\$56.00	\$51.50	$\$18 + (\$18 - \$10) + (.75 \times \$10) + (\$20 - \$8) + (.75 \times \$8)$

Where claims are impacted by the MPPR, Medicare will return a Claim Adjustment Reason Code of 45 (Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement) and a Group Code of Contractual Obligation (CO).

### Additional Information

The official instruction, CR7050, issued to your carrier, FI, or A/B MAC regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R826OTN.pdf> on the CMS website. If you have any questions, please contact your carrier, FI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

**News Flash - Each Office Visit is an Opportunity.** Medicare patients give many reasons for not getting their annual flu vaccination, but the fact is that there are 36,000 flu-related deaths in the United States each year, on average. More than 90% of these deaths occur in people 65 years of age and older. Please talk with your Medicare patients about the importance of getting their annual flu vaccination. This Medicare-covered preventive service will protect them for the entire flu season. And remember, vaccination is important for health care workers too, who may spread the flu to high risk patients. **Don't forget to immunize yourself and your staff. Protect your patients. Protect your family. Protect yourself. Get Your Flu Vaccine - Not the Flu.** Remember – Influenza vaccine plus its administration are covered Part B benefits. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of the influenza vaccine and its administration, as well as related educational resources for health care professionals and their staff, please visit [http://www.cms.gov/MLNProducts/Downloads/Flu\\_Products.pdf](http://www.cms.gov/MLNProducts/Downloads/Flu_Products.pdf) and <http://www.cms.gov/AdultImmunizations> on the CMS website.

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